

50X1-HUM

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The management will take all the proper and necessary measures to insure that the union shall be able to complete and surpass the production plans decided upon by the management, including technical instruction and guidance, to guard against and to eliminate quickly accidental interruptions to work progress, to provide suitable technical facilities and equipment, and to effect proper maintenance and expeditious repairs and adjustments.

The management will be responsible, at least 5 days preceding the beginning of each month and of each quarter, for informing the workshops, work gangs, or individual workmen, of the production plans for the ensuing periods; and as far as practicable, shall assign certain individuals to the same machines, the same labor group, and the same places of labor.

The management shall aid the makers of rational suggestions and useful inventions by providing them with favorable conditions and material aid to develop their ideas, and shall grant appropriate rewards to the originators of such ideas as merit adoption.

The management shall provide quarters and supplies for technical and cultural education.

The union shall assume the following responsibilities:

1. Exert its full measure of strength among the workers to promote the movement to develop "model workers," to assist the workers in adopting higher preliminary work agreements, to investigate the fulfillment of these agreements, and to publicize the creditable achievements of the workers.
2. Carry on regular daily instruction in labor discipline and in matters calculated to strengthen production, and constantly stimulate among the workers the determination to complete the work targets and to increase the production rate.

The management shall give all necessary assistance to the movement of developing model workers and to the efforts of the workers to fulfill their preliminary work agreements, and shall periodically publicize work progress reports. Each quarter it shall summarize the results of the Model Workers Movement, post in a public place the list of those workers who are entitled to certificates of commendation, and publish a booklet containing the names, pictures, and biographical sketches of those who have won distinction as Model Workers and give them material prizes.

B. Wages and Quotas

1. Wage Scale for Labor Based on Time Worked

[The text does not indicate the unit in which the wages are expressed; however, it is known that the "Kuan-tung-pi" yuan was in circulation in Dairen in 1949.]

<u>Grade</u>	<u>Heavy Industries</u>		<u>Light Industries</u>	
	<u>Per Day</u>	<u>Per Month</u>	<u>Per Day</u>	<u>Per Month</u>
1	94.10	2,400	78.40	2,000
2	113.00	2,880	94.10	2,400
3	136.50	3,480	113.70	2,900

CONFIDENTIAL

50X1-HUM

CONFIDENTIAL

Grade	Heavy Industries		Light Industries	
	Per Day	Per Month	Per Day	Per Month
4	164.70	4,200	137.30	3,500
5	202.40	5,160	166.60	4,300
6	244.70	6,240	203.90	5,200
7	301.20	7,680	251.00	6,400

2. Wage Scale for Work on the Piecework Basis

The wage scale for work on the piecework basis indicates the wage per hour, day, and month, but not the actual wage for any particular piece of work. It is suggested that the hourly, daily, or monthly pay indicated is the norm for earnings on the basis of which the rate of pay for any particular piece of work is to be calculated.

The grade coefficient is understood to be the multiplier used with the Grade 1 wage as a basis to determine the wage for the other grades. To illustrate: the base wage for Grade 1, 12.90, when multiplied by 1.20, gives the wage for Grade 2; and similarly for other grades, in this table and in the two following.

Grade	Grade Co-efficient	Heavy Industries			Light Industries		
		Per Hour	Per Day	Per Month	Per Hour	Per Day	Per Month
1	1.00	12.90	103.50	2,640	10.80	86.30	2,200
2	1.20	15.50	124.20	3,168	12.90	103.50	2,640
3	1.45	18.80	150.10	3,828	15.60	125.10	3,190
4	1.75	22.60	181.10	4,620	18.90	151.00	3,850
5	2.15	27.80	222.60	5,676	23.20	185.50	4,730
6	2.60	33.60	268.60	6,864	28.00	224.30	5,720
7	3.20	41.40	331.30	8,448	34.50	276.10	7,040

3. Wage Scale for Industries Injurious to Health, or Where Work Has to Be Done at High Temperatures

Grade	Grade Co-efficient	Heavy Industries			Light Industries		
		Per Hour	Per Day	Per Month	Per Hour	Per Day	Per Month
1	1.00	13.50	108.20	2,760	11.30	90.20	2,300
2	1.20	16.20	129.00	3,312	13.50	108.20	2,760
3	1.45	19.60	156.90	4,002	16.30	130.80	3,335
4	1.75	23.70	189.40	4,830	19.70	157.80	4,025
5	2.15	29.20	235.00	5,934	24.20	193.90	4,945
6	2.60	35.20	281.40	7,176	29.30	234.50	5,980
7	3.20	43.30	346.40	8,832	36.10	288.60	7,360

- 3 -

CONFIDENTIAL

50X1-HUM

CONFIDENTIAL

Individual apprentices or apprentices working in groups continuously engaged in the work of production are to be paid according to Grade 1 or Grade 2 of the seven-grade wage scale based on the time worked.

Apprentices under instruction in the company's technical training school are divided into four grades and paid according to the following wage scale:

<u>Grade</u>	<u>Grade Coefficient</u>	<u>Heavy Industries Per Month</u>	<u>Light Industries Per Month</u>
1	1.00		
2	1.20	1,500	1,250
3	1.40	1,800	1,500
4	1.60	2,100	1,750
		2,400	2,000

Staff employees are divided into 15 grades and paid according to the following salary scale:

<u>Grade</u>	<u>Heavy Industries Per Month</u>	<u>Light Industries Per Month</u>
1	3,500	
2	4,500	3,200
3	5,500	4,000
4	6,500	5,000
5	7,500	5,800
6	8,500	6,500
7	9,000	7,700
8	10,000	8,200
9	11,000	9,000
10	12,000	10,000
11	13,000	11,000
12	14,000	12,000
13	15,000	12,500
14	16,000	13,500
15	17,000	14,500
		15,000

All heavy industry mills are classified as first class enterprises. All light industry factories are classified as second class enterprises.

The management and the union shall be responsible for exercising their maximum efforts to put the piecework system into operation and shall draw up definite regulations governing its operation. The piecework system shall be made to apply to each working group and each individual worker in accordance with the work quotas.

If due to his own failure a workman cannot complete the regular quota of work, he shall be paid only for the amount of work he has completed, provided that his pay shall not be less than two thirds of the wage for the regular quota of work.

To raise the rate and quality of production, the management shall:

1. Put into effect the piecework award system and the piecework cumulative award system; also an award system for workmen engaged in important work on the time basis, (such as blacksmiths doing repair work and workmen engaged in the repair of tools and machinery.)

- 4 -

CONFIDENTIAL

50X1-HUM

CONFIDENTIAL

2. Put into effect a system of awards for staff employees and technical cadres when the planned production goals have been surpassed and the costs of production have been reduced.

The determination of production quotas and piecework pay standards should be made for periods of not less than 6 months. At the expiration of that period, a new determination of quotas and rates of pay should be made in the light of rational improvements in the organization of the work and technical advances in installations and equipment.

If and when it becomes evident that the quotas are erroneous, or the rate of production shows a marked increase due to the adoption of helpful suggestions, the determination of quotas and piecework pay rates shall be examined; but the quotas of the workman who made the helpful suggestions shall not be changed previous to the expiration of the current period.

The rate of pay for overtime work shall not be more than 1 1/2 times the rate for ordinary hours of work. The additional pay for overtime work shall be calculated in accord with the wage scale based on the time worked. The agreement of the management and the union shall be necessary before overtime work is required of the workers.

Men and women workers shall receive the same pay for the same work. The work day for minors shall be 7 hours; but their wages shall be paid as if they worked an 8-hour day.

In case of stoppage of work not due to the fault of the workers, half the usual rate of wages shall be paid for the duration of the interruption.

No wages shall be paid to a workman when, through his own fault, the product of his work is below standard and is totally rejected. If only a portion of his product is rejected through his own fault, his wages shall be paid proportionally. If the product of his work is totally rejected for reasons not due to the workman's fault, his wages on the time-worked basis shall be paid as usual.

C. Regulations for the Internal Management of the Plant

To regulate the operation of the plant, the management may adopt internal shop management regulations. All workmen and staff employees shall be bound by these regulations.

D. Guarantees and Penalties

1. The management guarantees that workmen and their families shall obtain certain food rations at reduced prices in accordance with the special rules.
2. The management shall adopt measures to ensure that employees may obtain such manufactured articles and daily necessities as they require.
3. When a workman is absent from work because of exercising his election rights, he shall be paid the average wages for the duration of his absence.
4. If an individual workman, elected to serve as a representative of the workers, attends during working hours any conference as a delegate, the management shall pay him the average wage for the whole period of his absence from work.
5. When an employee is sent away on official business, he shall retain his pay and position; and, in addition, the management shall provide for his transportation and lodging and shall provide him with an allowance for incidental

- 5 -

CONFIDENTIAL

50X1-HUM

CONFIDENTIAL

expenses. The daily allowance shall not be more than 3 percent of his monthly salary or wages; and the expense for lodging shall not be more than 40 percent of the allowance for incidental expenses.

6. An employee shall be responsible for material damages or loss caused by himself in the course of his work. If the damage or loss is the result of carelessness or infraction of rules, he shall be responsible for the whole cost of the damage, up to 50 percent of his monthly earnings.

7. In cases of reduction in force, the management shall give the discharged worker 12 days terminal pay plus the cash equivalent of his unused annual or holiday leave. When discharged for any other reason, no terminal pay shall be paid.

8. When a worker is temporarily incapacitated for work, his pay shall be continued and his position held for him, in case of illness up to 3 months, and in the case of maternity leave up to 2 1/2 months.

9. When an employee voluntarily leaves his employment without good reason, before the end of regular pay periods, he shall reimburse the company with the cash equivalent at current prices of the things issued by the company, namely, special work garments, the unearned portion of his monthly food ration, and the unearned portion of the quarterly rations of manufactured articles and daily necessities. Furthermore, the management has the right to require the employee and his family to vacate the company dormitories within 2 weeks following the termination of his employment.

10. When a workman is employed, he shall be on trial for from 12 to 24 days, during which time the management shall determine his work assignment and his grade in the wage scale.

11. If an employee resides more than 5 kilometers from the place of his employment, the management should help him to move to a dwelling closer to his work.

E. Working Hours

1. The regular work period shall not be greater than 8 consecutive hours; but minors between the ages of 14 and 17 years, and underground workers shall not be required to work more than 7 consecutive hours.

2. The regular work period for night work is 7 hours. Hourly pay for night work on the time work basis shall be eight sevenths of the corresponding pay for daytime work. In the case of a man being paid on the piecework basis, for each hour of night work, he shall receive, in addition to the simple piecework pay, one seventh of what he would earn in one hour of daytime work. This section shall not apply to all kinds of transport workers.

3. In each regular work period, the worker is entitled to a break for eating and rest. This recess shall not be included in the working period.

Youths under 18 years of age, and women pregnant for more than 4 months shall not engage in overtime work.

F. Rest Periods

1. The whole body of workers shall be entitled to enjoy, each week, one full and unbroken period of rest, amounting on the average, to 39 hours, (from 1700 hours on the day preceding the holiday to 0600 hours on the day following the holiday). Besides this, the following festivals are not work periods:

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

- a. New Year's Day, 1 day [1 January]
- b. Spring Festival, 2 days [Old Chinese New Year's]
- c. Labor Day, 2 days [1 and 2 May]
- d. Victory Day, 1 day [3 September, end of Anti-Japanese War]
2. Workers who work continuously in the same concern for at least 11 months shall be entitled each year to enjoy 12 days of vacation. Those who work in occupations injurious to health, or on especially heavy work, shall be entitled to 18 days of vacation each year.
3. Those who work continuously in the same concern 2 years or more, shall be entitled to 3 days more vacation for each additional year of work; but the total of the basic number of days vacation [12] plus the additional days of vacation for long service [3 per year] shall not exceed 24 days in any one year.
4. The management has the right to grant from 6 to 12 days of vacation per year to workers whose working days and working hours are not fixed. Note: The list of names of workers who fall in this category shall be determined jointly by the management and the union.
5. Workers under the age of 17 years shall be entitled to 24 days of vacation in each year.

G. Safety of Workers

1. The management shall be responsible for taking all the necessary measures to eliminate or to reduce unfavorable conditions that interfere with work, to take precautions against the occurrence of accidents to workers, and will provide sanitary installations in the plant.
2. The management shall provide various kinds of special clothing and protective devices, (such as glasses, face shields, and anti-poison masks, soap, etc.) to employees whose work is in places that are excessively hot, damp or unclean, or are specially injurious to health.

H. Adjustment Committee

1. To solve difficulties between the workers and the management arising from the methods of settling disputes in connection with the interpretation and enforcement of the collective contracts, the management and delegates of the union shall form an Adjustment Committee based on the principle of equality.
2. The chairmanship of conferences of this Adjustment Committee shall alternate between the members of both parties represented in the committee. In case of a tie, the chairman for that meeting shall have the deciding vote.
3. The decisions of the Adjustment Committee are final. When a matter has been decided, it may not be brought up again for reconsideration. The implementation of such decisions shall be binding on both the management and the union.
4. In matters of grave importance, either party, the management or the union, may request reconsideration of the Adjustment Committee's decisions, in which case, the government, when there is occasion to do so, shall convene an arbitration conference in which representatives of the General Trade Union and the chief directing officers of the enterprise shall participate.

- 7 -

CONFIDENTIAL

50X1-HUM

CONFIDENTIALI. Social Insurance

1. To facilitate the implementation of Social Insurance, the management shall set up a Social Insurance Reserve Fund to be used for this sole purpose, and no one shall have the authority to use it for any other purpose.
2. This Social Insurance Reserve Fund is to be built up by the management adding to it each month an amount equal to 4 percent of the total cash payroll of the company; and the insured employees shall not be required to contribute toward the fund nor have any deductions from their pay withheld by the management for this purpose.
3. The Social Insurance Reserve Fund shall only be used for the following purposes:
 - a. Medical aid.
 - b. Financial aid to employees temporarily incapacitated for work as in cases of sickness, injuries, epidemic prevention, pregnancy, childbirth, and sickness in the family.
 - c. Supplementary aid in particular cases, such as milk for children and funeral expenses.
4. The leave of absence in connection with pregnancy and childbirth is set at from 45 to 77 days, of which from 15 to 35 days may be taken prior to confinement, and 30 to 42 days subsequent to confinement. In abnormal cases, and in the case of the birth of twins, the postconfinement leave may be from 45 to 56 days.
5. After childbirth, one issue of aid shall be made consisting of 1,200 yuan in cash and from 15 to 20 meters of cloth.
6. Funeral expense aid shall be given as follows: In the case of the funeral of an employee, his family shall be issued a sum equal to one month's salary or wages. In the case of the funeral of a member of an employee's family, one half of the employee's monthly salary or wage shall be issued.
7. The financial aid for employees temporarily incapacitated for work, pregnant, or having to meet expenses involved with childbirth or funerals, as mentioned in the preceding paragraphs, shall be graduated according to the following scale:

<u>Length of Service With Present Employer</u>	<u>Percentage of Usual or Prescribed Amount</u>
Less than one half year	25
Between one half and one year	50
Between one and 2 years	75
Over 2 years	100

J. Cultural Education

1. To raise the cultural life of employees, the management shall establish an Educational Fund to be used solely for the cultural education of the employees.
2. The Educational Fund is to be built up by the management adding to it each month an amount equal to one percent of the total cash payroll of the company; and no deduction from the pay of the employees shall be withheld by the company for this purpose.

- 8 -

CONFIDENTIAL

50X1-HUM

CONFIDENTIAL

3. The Educational Fund shall be used only for the following purposes:
to promote literacy, for political education, for entertainment activities, for
athletic and recreational activities, for propaganda activities and the prepara-
tion of propaganda literature, for expenditures in connection with the observ-
ance of anniversaries, and for the purchase of books and charts.

- E N D -

50X1-HUM

- 9 -

CONFIDENTIAL